G. R. S. App. F. IX-4]

1942 - 3

File No. 130-42

Previous References.

(Secr

Serial Nos. 1

Later References.

PRESERVED

GENERAL AND REVENUE SECRETARIAT

Serial Nos. One

Part B for April 42

SUBJECT.

Mortgage deed to be executed by Private Individuals

P 23/(2)

30/4/43

Mortgage deed to be executed by Private Filatures

652/42 P 5018

Letter No 7.400 dated 18th March from the Special Officer, Silk Filature Expansion Scheme, Mysore, forwarding a draft of the Mortgage Deed which the Private Filatures intend have got to execute in connection with the loans to be advanced to them towards capital expenditure and working capital under the Filature Expansion Scheme

1) Dev. Secy's note on the P.U.D.
Consult Secy Law urgently
(Sd/d) V.V.A.

2) This may be sent to Law Section for scrutiny and remarks. The three Govt orders issued in the matter are placed below.—

18/3/43 Asst Secy Butchers — For 18/3/43

Advocate General

11173 19/3/43 Secy to Govt

Law Secretary 3/1873

19-3-43

The file is forwarded with compliments to the Advocate General for favour of Opinion regarding the draft mortgage deed

Yours "A"

Border

Dy Secy to Govt Law Dept

Then revised the form on the basis of minimum alterations mainly of the language. As directed returned on

Lr.No. no:120/42 19.3.43

Ltr.No. 912 Ltr WB dt 19.3 WB 11355 22-2-43

No.Do.91 Ltr WB dt 22 Ltr WB

Mortgage deed to be executed by private firms

Continuation Sheet. Secl File No. / Current No. 42 of 12 Page. 5018 J3

firm opinion in the matter on a previous occasion i.e. no. 12 is not legally valid (Govt. cannot have recourse to S.193 I.R. Code ~~when they are acting~~ in respect of their Commercial & industrial activities). But the clause may act in terrorem & may be allowed to remain. But Dewan suggest the insertion of an arbitration clause as inserted in some Mss from which came under my revision.

C.L. Gyndi A.G. 19/3/43

26 MAR 1943 GOVERNMENT

Secl 11248 24.3.43

Secl

Law Secy 3/3 23/3

Secl

Law Secy 24/3 24/3

Secl

Dew Secy

Secl 26/3/43

Letter dated 25th March 1943 from Mr V. Sundara Murthy, President, Vellum Parachute Silk Co Ltd forwarding a draft of the pledge deed in connection with the loans to be advanced to them.

Submitted for orders. Law Secy may be consulted.

The draft of the mortgage deed was examined in detail clause by clause by the Dew. Secy on 24.3.43 along with Mr Sundaramurthy and his legal adviser Mr B. Vasudevamurthy.

A. It is for consideration if the revised draft prepared subsequent to the discussions on 24.3.43 may not be adopted. The Law Secy may be consulted.

Dev Secy

TR
26.3.43

prepared after discussion,

Flag-T. A. I think this Off indenture is suitable. For remarks.

Secy Law

W/comps

WR
26/3/43

TR

The Advocate General will be consulted before suitability of the revised draft.

24/3

1145/27.3.43

Law Secy

Crs.
27-3-43

L&GVO.p 123/42 dated 27th March 1943.

Forwarded to the Advocate General in Mysore for favour of opinion

H.N. Varadaraju

For Secretary to Govt
Law Dept 26/3/43

Ho.Do.97 45-43 Dt 30.3.43

The revised draft is quite all right but for some small corrections needed which I have made therein. C.L. Gupta 29/3/43 A.G.

1165-2/30-3-43

Crs
30-3-43

Some further modifn have also been made, which are in accordance with the agreement, and which clarify our intentions better. This has also the

Mortgage deed executed by the Private Planters

Continuation Sheet. Sen File No. / Current No. 30 of 42. Page. 5018

Concurrence of Messrs V. Sundaramurthy & M. Rama Rao.

If approved, the indenture will be got executed by the borrowers in the said form.

Min 7 dR)

UO
1/4/43

1.4.43

UO
1/4/43

The Indenture has been executed by the borrowers in the approved form

by
1/4/43.

Pr
by

The indentures were got back from the Dt. Registrar's office, B'lore, and sent to C.B. for safe custody as instructed

by
25/8/43 executed by the Mysore Silk Filatures Ltd and the Vellore Parachute Silk & Ltd — Vide Diary No 6533

by

7.400 Encl: one

Seri 130-42-1

Government of Mysore.
DEPARTMENT OF SERICULTURE.

Mr.H.S.Govinda Rao,B.A.

Office of the Special Officer,
Filature Expansion Scheme,
Camp,Bangalore, 18th March '43.

5018

Sen.

Consult Sen & Law urgently.

To

V.Vedavysacharya,Esq.,B.A.,
Secretary to Government,
Development Department,Bangalore.

Sir,

I have the honour to enclose herewith a draft of the Mortgage Deed, which the private filature interests have got to be executed in connection with the loans to be advanced to them towards Capital Expenditure and Working Capital under the Filature Expansion Scheme. The draft deed may kindly be got scrutinised by the legal advisers to the Government. Information may kindly be obtained re: the amount of stamp duty to be paid and whether the deed has got to be registered.

a) Stamp duty is determined on the basis of value.

b) Registn. I presume will be in B'lore.

I have the honour to be,
Sir,
Your most obedient servant,

Special Officer.

HSG: RJV)

THIS INDENTURE made this.....day of.....

.....between.....

.....

by occupation Silk Manufacturer, at.....

hereinafter called the Borrower, which expression shall include his heirs, executors, legal representatives and assigns of the ONE PART, and the Government of His Highness the Maharaja of Mysore represented by the.....

.....in Mysore HEREINAFTER called the Government, of the other part:

WHEREAS the Government at the request of the Government of India desires to secure the production of filature silk and whereas the Borrower has undertaken to erect.....

.....basins for the production of silk of the required quality as per detailed terms and conditions contained in the deed of agreement made between the Government and the Borrower: and

WHEREAS the Borrower as per terms and conditions of agreement has requested the Government to grant him a loan of Rs.....only towards the capital expenditure and of Rs.-.....

.....only towards the working capital for the purposes of starting and working.....

filatures of.....basins in all and the Government have been pleased to grant the same under Government Order No.D.5378-83/Seri.143-41-12 dated 17th February 1943 on terms and conditions hereinafter appearing:

NOW THIS INDENTURE WITNESSETH as follows:-

1. In consideration of the said sum of Rs.....

.....towards capital expenditure and of Rs.....towards working capital to be placed at the credit of the Borrower by advancing in stages according to the progress of work and on the application of the Borrower, the Borrower hereby covenants with Government that he will, in five annual instalments, the first instalment falling due

at the end of twenty four months from the date of disbursement of the first instalment of the loan, pay to the Government the sum of Rs..... being the loan advanced towards capital expenditure together with interest thereon at three per cent per annum and that ~~it~~ he will pay to Government the entire sum of Rs.....advanced toward working capital not later than the 30th of June 1946 together with interest at half per cent more than the Reserve Bank Rate.

2. As security for the repayment of the debt due under this Indenture, the Borrower doth ~~HEREBY assign to~~ hereby mortgage to the Government ~~by way of MORTGAGE~~ all ~~and singular~~ and the ~~several~~ machinery, chattels and things described in the schedule ~~HERETO annexed~~ hereunder written, together with all ~~and singular~~ the ~~several~~ chattels, machinery and this or any other property that the borrower shall construct, setup, or purchase out of the loan granted to him by Government as ~~AFORESAID~~ aforesaid and all objects over which the Borrower shall expend the same or any portion ~~THEREOF~~ thereof.

3. The Borrower shall ordinarily make all payments due under this Indenture at any District or Taluk Treasury in the State.

4. The Borrower ~~HEREBY~~ hereby agrees that the security ~~HEREBY~~ hereby created is to operate as and by way of a present charge on all plant and machinery and assets moveable or immoveable which are or may be brought into existence under the agreement dated.....referred to above, and directly or indirectly with the advances obtained under this deed.

5. The Borrower further agrees that ~~the borrower's~~ his stock of goods and component parts whether in existence or in the process of manufacture and all articles manufactured ~~THEREFROM~~ therefrom being the assets liable to this charge under Clause 2 above which now or ~~HEREAFTER~~ hereafter from

time to time during the existence of this security shall be brought into, stores or be in or about, the Borrower's godowns or premises at or wherever else the same may be (including any such goods in course of transit or delivery) with the benefits of all rights relating ~~THERETO~~ hereto shall ~~be~~ hereby ~~and~~ stand mortgaged and charged to the Government by way of first charge ~~HEREBY~~ as security for the payment by the Borrower to Government on demand of all moneys that may become at any time ~~that become~~ payable by the Borrower to the Government under this ~~deed.~~ Indenture.

6. The Borrower ~~doth~~ also agrees ~~with the Government~~ as follows:-

(a) That he will keep all the said chattels, machinery and things ~~HEREBY~~ hereby mortgaged duly insured against loss or damage by fire or accident in the joint names of himself and ~~the~~ Government in such Insurance Office and for such sum as shall be approved by the Government and will make all payments required for such last-mentioned purpose in time and as they become due and shall on demand produce to the Government the Policy or Policies of such Insurance and the receipt for each such payment.

(b) ~~THAT~~ That he will duly pay all rents, rates, taxes, assessments and outgoings payable in respect of the premises upon which the said chattels, machinery and things shall be for the time being and shall on demand, produce to Government the receipt for each payment ~~THEREOF.~~ thereof.

(c) That he will not suffer the said chattels, machinery and things or any of them to be destroyed or injured or to deteriorate and shall whenever any of them are destroyed, injured or deteriorated, forthwith replace repair and make good the same and any chattels so substituted for any chattels

~~HEREBY~~ hereby mortgaged shall also be security for this loan.

(d) If the Borrower shall fail in any way to comply with his obligations ~~HEREUNDER~~ hereunder, to insure, replace repair and make good the chattels, machinery and things and to pay the said rents, rates, taxes, assessments and outgoings and if the Government shall themselves make good such filature then the Borrower shall, on demand, repay to Government all moneys expended by ~~them~~ Govt. for such purpose with interest at ~~FOUR PER~~ four per cent ~~PER ANNUM~~ per annum from the date of demand until repayment and until such repayment, such moneys and interest shall be charged on the said chattels, machinery and things.

(e) The Borrower shall submit to Government regularly and without default half-yearly balance sheets showing in detail, the distribution of the floating assets of the concern for which this loan has been granted by Government at their current market value and in the form that may be prescribed by Government.

(f) The Borrower shall submit to the Government whenever the Government require, stock statements with list of current insurance policies and amounts attached, verified by certificates of its Secretary or other officer duly authorised ~~for that purpose~~ in his behalf, that the quantities and amounts stated are correct and that all stocks are fully covered by insurance, and shall also furnish and verify all statements, reports, returns, certificates and information and also execute all documents ~~&~~ and do all acts and things which the Government may require to give effect ~~HERETO~~ hereto and the Borrower authorises the Government through its agents ~~and Nominees~~ accredited for and in the name of the Borrower to do whatever the Borrower may be required to do ~~HEREUNDER.~~ under this Indenture.

(g) The Borrower shall maintain the said chattels, machinery and things in good working order and to the satisfaction of Government and shall effect repairs and renewals at the Borrower's own cost whenever Government ~~may~~ might call upon him to do so.

(h) The Borrower shall submit to Government annually and without default from the date ~~HEREOF~~ hereof full and correct information regarding the working and the general financial condition of the Borrower's concern for the purposes of which this loan has been granted in the form that may be approved by Government from time to time.

(i) The Borrower shall commence the work for which the loan has been granted immediately and without any delay whatsoever.

(j) The Borrower shall apply the loan granted by Government and every portion thereof ~~only~~ solely for the purposes for which it has been granted.

7. If the Borrower shall make default in payment of the said principal sum or any part ~~THEREOF~~ thereof or of any interest thereon, or in the performance of any covenant or agreement contained ~~HEREIN~~ herein or necessary for maintaining his security, or if he shall become bankrupt or suffer the said chattels, machinery and things or any of them to be distrained, or if he permits execution to be levied on the goods and effects, or if he shall, except for unavoidable reasons, close the concern for which this loan was granted for a period of more than two months, then or for any other sufficient cause it shall be lawful for Government to claim immediate repayment of the entire sum due under this indenture in one lump sum and it shall also be lawful for Government, without previous notice to the borrower to take possession of the said chattels, machinery and things or any of them ~~WHEREVER~~ wherever they may happen to be and the Government or

their servants or agents may enter on any premises where the same or any of them shall be for the time being and for that purpose may break open doors or windows. In the meanwhile the Borrower shall not remove the said chattels, machinery and things or any of them from the premises upon which they shall be for the time being, without the consent of Government in writing.

8. The Government shall be entitled to sell the ~~same~~ said chattels, machinery & things of the same after taking possession by public auction or by private ~~contract~~ sale or off the premises and to appropriate the sale proceeds towards the expenses incurred for ~~the~~ such taking or keeping possession and of such sale towards the debt due ~~HEREUNDER~~ hereunder. The Borrower shall be liable for the balance, if any.

9. The Borrower shall not, during the ~~continuance~~ subsistence of ~~these premises,~~ this agreement borrow any money on the security of the properties ~~HEREBY~~ hereby mortgaged to Government, and described in the schedule without the previous written permission of Government.

10. The Borrower hereby covenants ~~with the Government~~ that he has good and perfect title to mortgage the said chattels, machinery and things in favour of Government and that there are no encumbrances, charges, claims, or demands, ~~etc.~~ of whatsoever description to, in, or over ~~on or in respect of~~ the same.

11. Government, their servants ~~or agents~~ shall be entitled at all reasonable hours to enter upon the premises on which the said chattels, machinery or things may be for the time being for purposes of inspecting the same.

12. Notwithstanding anything contained in this Indenture, Government shall be entitled to recovery of all the amounts due hereunder or any portion thereof as an arrear of land revenue.

13. The Borrower undertakes to be bound by all the rules

framed by Government in this behalf and under which this loan has been granted.

IN WITNESS WHEREOF the borrower has hereunto set his hand ~~and seal x the day and year first written.~~ the year & date aforesaid

In the presence of witnesses :—

1.

2.

SCHEDULE.

Signature of Borrower.

Revised on the basis of minimum alterations of the language of.

C.L. Gupta.

A.G. 19 3/43

RJV 3) 18-3-'43.

5748

VELLUM PARACHUTE SILK CO., Ltd.,

TELEGRAMS:
"PARACHUTE"

PRESIDENT:
V. SUNDARAMURTHY
GOVERNING DIRECTOR:
MANICKAVELU LTD

WORKS:
GORIBIDNUR
YESVANTAPUR

TELEPHONES:
PRESIDENT 2361
GENERAL OFFICE 2467

PALACE ROAD
BANGALORE

25th Mar. 1943.

Rec'd at 4 PM
25/3/43

V. Vedavyasacharya, Esqr., B. A;
Secretary to Government,
Development Department,
Public Offices, BANGALORE.

Dear Sir,

I am sending herewith a draft of the Pledge deed made out as per our discussions of yesterday for your kind perusal and referring to the Law Secretary. I shall be glad if it can be ready by Saturday when we may go further into the matter.

Thanking you.

Yours faithfully,

President

Encl. 1.

WT
25/3/43

THIS INDENTURE made the ..... day of March One thousand Nine hundred and forty three, between VELLUM PARACHUTE SILK CO., Limited, having its registered office at Manickavelu Mansion, Palace Road, Bangalore City, and represented by its President, Mr. V. Sundaramurthy, hereinafter called the Borrower, which expression shall include the successors in interest, representatives and assigns of the company of the ONE PART: and the GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE represented by the Secretary to Government, Development Department, hereinafter called the Government, of the other part:.

WHEREAS the Government, at the request of the Government of India, desires to secure the production of filature silk and whereas the Borrower has undertaken to erect 500 basins for the production of silk of the required quality as per detailed terms and conditions contained in the Deed of Agreement dated 18-3-43 made between the Government and the Borrower; and whereas the Borrower as per terms and conditions of the agreement has requested the Government to grant it a loan of Rs. 3,50,000 (Rupees Three lakhs fifty thousand only) towards the Capital expenditure and of Rs. 5 lakhs towards the Working Capital for the purpose of starting and working silk filatures of 500 basins in all and in pursuance of the Government Order No. 5378-83/Seri. 143-41-12 dated the 17th February 1943, on the terms and conditions hereinafter appearing.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS:--

In consideration of the said sum of Rs. Three Lakhs and Fifty thousand towards Capital expenditure and of Rs. Five Lakhs towards working capital to be placed at the credit of the Borrower by advancing in stages according to the progress of work and on the application of the Borrower, the Borrower hereby agrees and covenants with the Government that ~~it~~ M. Narayana will repay to the Government the amount advanced towards the capital expenditure together with interest thereon at three per cent per annum, in five annual instalments, the first instalment falling due at the end of twenty four months from the date of disbursement of

the first instalment of the loan, and that ~~it~~ will repay to the Government the entire sum of Rs. Five lakhs or such smaller sum as may have been advanced towards the working capital not later than 30th June 1946. ~~together with~~ Interest at three and half per cent per annum. As security for the amounts advanced as aforesaid to the Borrower and for the repayment of the debt due under this indenture, the Borrower doth hereby assign to the Government by way of FIRST MORTGAGE all ~~and singular and~~ several chattels, machinery and things or any other property or plant or machinery ~~that~~ the Borrower shall construct or set within the said premises and more fully detailed in the schedule hereunder.

The Borrower hereby agrees and covenants with the Government that the security hereby created shall operate as and by way of first charge on all plant and machinery and assets, moveable or immoveable, which are or may be brought into existence under the agreement dated 18--3--43 referred to above either directly or indirectly.

The Borrower further agrees and covenants that the Borrower's goods and component parts, whether in existence or in the process of manufacture, and all articles manufactured therefrom ~~being~~ the assets liable to this charge under clause .... above, which now or hereafter from time to time during the pendency of this indenture shall be brought into stores or be in or about the Borrower's godowns or premises at or wherever else the same may be (including all such goods in course of transit or delivery) with the benefits of all rights relating thereto shall ~~be and~~ stand mortgaged and charged to the Government by way of First charge ~~hereby~~ as security for the payment by the Borrower to the Government of all monies ~~at any time~~ that may become payable by the Borrower to the Government under this ~~deed.~~

The Borrower doth also agree and covenant with the Government as follows :--

(a) That he will keep all the said chattels, machinery and

things hereby mortgaged duly insured against loss or damage by fire or accident, as also in respect of war risks, as may be prescribed under the War Risks Insurance Act and will make all payments required for such purpose in time and as they become due.

(b) The Borrower shall submit to the Government regularly and without default half-yearly statements duly certified by a Registered Accountant or Auditor showing in detail the distribution of the floating assets of the concern according to the books of accounts.

(c) If the Borrower shall make default in payment of the aforesaid sums of money or any part thereof or any interest due thereon, as stated above, as and when they become due and payable, or in the due performance of any of the covenants contained herein, then it shall be lawful for the Government to claim repayments of the sums due under this indenture either in instalments or in one lump sum, and the Government may after giving not less than fifteen days ~~and reasonable~~ due notice to the Borrower, take possession of the said plant and machinery and assets described in the schedule hereto and which are charged under this indenture, and the Government shall, after taking such possession, be entitled to sell ~~ex~~ all or any portion of the same by public auction after giving not less than 15 days' ~~due and sufficient~~ notice to the Borrower and to appropriate the sale proceeds towards any amounts due and outstanding under this indenture and to recover from the Borrower the balance still due, if any.

(d) The Borrower hereby covenants with the Government that he has ~~good and~~ a perfect title to mortgage the said chattels, machinery and things in favour of the Government and that there are no encumbrances, charges, claims, demands, etc., of whatsoever description ~~ex on or in respect of the~~ or relating to, in, or over the same.

(e) Notwithstanding anything contained herein, the Borrower shall have the right to repay to the Government the entire amount due under both the heads of advance either in one lump sum or in fewer instalments than those stipulated herein.

Notwithstanding anything contained herein, the Government shall be entitled to recover all the amounts due hereunder or any portion thereof as if it were an ~~arrear~~ arrear of land revenue.

0 0 0

IN WITNESS WHEREOF the Borrower has set his hand the dav and year first above written.

Witnesses

Schedule.

Signature of Borrower.

Dft

THIS INDENTURE made the First day of April One thousand Nine hundred and forty three, between the GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE represented by the Secretary to Government, Development Department, hereinafter called the Government, of the First Part and MESSRS. VELLUM PARACHUTE SILK CO., Limited having its registered office at Manickavelu Mansion, Palace Road, Bangalore City and represented by its President, Mr. V. Sundaramurthy, hereinafter called the Borrower, which expression shall include the successors in interest, representative and assigns of the company of the Second Part.

WHEREAS the Government, at the request of the Government of India, desires to secure the production of filature silk and whereas the Borrower has undertaken to erect 500 basins for the production of silk of the required quality as per detailed terms and conditions contained in the Deed of Agreement dated 18-3-1943 made between the Government and the Borrower; and whereas the Borrower as per terms and conditions of the agreement has - requested the Government to grant it a loan of Rs.3,50,000/- (Rupees Three lakhs fifty thousand only) towards the Capital Expenditure and Rs.5 lakhs (Rupees Five lakhs only) towards the Working Capital for the purpose of starting and working silk filature of 500 basins in all and in pursuance of the Government Order No.5378-83/Seri.143-41-12 dated the 17th February 1943, on the terms and conditions hereinafter appearing.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS:-

In consideration of the said sum of Rs.3,50,000/- (Rupees - Three lakhs fifty thousand only) towards Capital Expenditure and of Rs.5,00,000/- (Rupees Five lakhs only) towards Working Capital to be placed at the credit of the Borrower by advancing in stages according to the progress of work and on the application of the Borrower, the Borrower hereby agrees and covenants with the Government that the Borrower will repay to the Government the amount advanced towards the Capital Expenditure together with

with interest thereon at three per cent per annum, in five equal annual instalments, the first instalment falling due at the end of twenty four months from the date of disbursement of the first instalment of the loan, and that the Borrower will repay to the Government the entire sum of Rupees Five lakhs only or such smaller sum as may have been advanced by the Government towards the working capital, not later than 30th June 1946. Interest at half per cent more than the Reserve Bank rate, per annum, on the actual monthly outstandings shall be paid once a year.

2. As security for the amounts advanced as aforesaid to the Borrower and for the repayment of the debt due under this indenture, the Borrower doth hereby assign to the Government by way of FIRST MORTGAGE all the several chattels, machinery and things or any other property or plant or machinery which the Borrower shall construct or set up within the said premises and which is more fully detailed in the schedule hereunder.

3. The Borrower hereby agrees and covenants with the Government that the security hereby created shall operate as and by way of first charge on all plant and machinery and assets, moveable or immoveable, which are or may be brought into existence either directly or indirectly under the agreement dated 18-3-1943 referred to above.

4. The Borrower agrees and covenants that all its properties - moveable and immoveable, in whatever stage or process, or wherever situated being assets brought into existence under the agreement referred in this indenture shall stand charged to Government by way of first mortgage, and that all benefits, rights, and claims pertaining to the charged properties which shall from time to time accrue to the benefit of the Borrower shall also be similarly charged to Government by way of first mortgage as security for the repayment of monies which may be advanced by Government to the Borrower under this indenture.

contd:

5. The Borrower doth also agree and covenant with the Government as follows:-

(a) That he will keep all the said chattels, machinery and things hereby mortgaged duly insured against loss or damage by fire or accident, as also in respect of war risks, as may be prescribed under the War Risks Insurance Acts and will make all payments required for such purpose in time and as they become due.

(b) The Borrower shall submit to the Government regularly and without default half-yearly statements duly certified by a Registered Accountant or Auditor showing in detail the distribution of the floating assets of the concern according to the books of accounts.

(c) If the Borrower shall make default in payment of the aforesaid sums of money or any part thereof or any interest due thereon as stated above, as and when they become due and payable, or in the due performance of any of the covenants contained herein, then it shall be lawful for the Government to claim repayments of the sums due under this indenture either in instalments or in one lump sum, and the Government may after giving not less than thirty days' notice to the Borrower, take possession of the said plant and machinery and assets described in the schedule hereto and which are charged under this indenture, unless the amounts due are sooner paid, or unless the Government for reasons shown grants time for payment, and the Government shall, after taking such possession, be entitled to sell all or any portion of the same by public auction after giving not less than 15 days' notice to the Borrower and to appropriate the sale proceeds towards any amounts due and outstanding under this indenture and to recover from the Borrower the balance still due, if any.

(d) The Borrower hereby covenants with the Government that he has a perfect title to mortgage the said chattels, machinery and things in favour of the Government and that there are no encumbrances, charges, claims, demands, etc., of whatsoever description or nature to, in, or over, and

The Borrower hereby covenants with the Government that he will do no act in the way of creating encumbrances or otherwise which may detrimentally affect his full and perfect title to the properties which shall stand charged as security for the loan and advance under clauses 2, 3 and 4 above.

(e) Notwithstanding anything contained herein, the Borrower shall have the right to repay to the Government the entire amount due under both the heads of advance either in one lumpsum or in fewer instalments than those stipulated herein.

6. Notwithstanding anything contained herein, the Government shall be entitled to recover all the amounts due hereunder or any portion thereof as if it were an arrear of land revenue.

IN WITNESS WHEREOF the Borrower has set his hand the day and year first above written.

SIGNATURE OF BORROWER.

S C H E D U L E.

Yesvantapur Filature - 84 basins.
(Bangalore Taluk)

1) 3 acres of land out of Survey No.175 of Kethamaranhalli Village Bangalore Taluk bought from Manickavelu Limited, as per Sale Deed dated 10th February 1943 and registered as No.2940 in Volume No.619 pages 104-108 on 20th February 1943 in the office of the Sub-Registrar, Bangalore Taluk.

2) The Reeling shed, stifling room, boiler room, workshop, office and two rooms for storing cocoons etc., situated on the above land.

3) The Administrative block of buildings situated on the above land and any other buildings that may be put up on the above land.

4) The well that is being sunk for water supply in the above land

contd:

5) The 84 Filature basins that will be installed in the reeling shed, the boiler, pumping outfit, water supply arrangements, electric installation and motors, cocoon racks, stifling chamber and all other plant, machinery and equipment that will be used in the above filature.

Goribidnur Filature - 416 basins.

1) All that piece or parcel of land and buildings and tenements standing thereon and hereditaments, the godowns, bungalows, factory houses, railway sidings, out-houses, out-offices and other structures commonly known as the properties of the Goribidnur Sugar Factory, the grounds whereof are comprised firstly of several survey Nos. in the Devarahosahalli Village of Goribidnur Hobli, Goribidnur Taluk, Kolar District, enumerated below, viz, Survey Nos.1 to 13 both inclusive,Dry - total extent 49 acres. Assessment Rs.47-4-0

Secondly, the several survey Nos. in the Karikalhalli Village Goribidnur Hobli, Goribidnur Taluk, Kolar District enumerated below:

	Survey No.	Ac. Guntas.	Assessment.
Garden	14	1 - 37	Rs.5 12 0
Dry	15	0 - 21	Rs.0 8 0
Garden	16	0 - 34	Rs.4 8 0
Garden	18	0 - 8	Rs.1 8 0
Dry	13	0 - 31	Rs.0 12 0
		4 - 11	Rs.13 0 0

All the above having been bought from Messrs. Manickavelu Limited as per sale deed dated 10th March 1943 and registered as No.77/42-3 in Book No.1 Vol.68 pages 137-147 on 15th March 1943 by the District Registrar, Bangalore District, Bangalore.

2) The 416 Filature basins that will be installed in the above buildings, the boiler, pumping outfit, water supply arrangements, electric installation and motors, cocoon r ck stifling chamber and all other plant, machinery and equipment that will be used in the above filature.

3) All buildings that may be put up on the above lands for the purposes of the filature.

All the stock of goods and component parts (cocoons, silk and bye-products) whether in existence or in the process of manufacture and all articles manufactured therefrom which now or hereafter from time to time shall be brought into, stored, or be in or about the above two filatures, godowns or premises (including any such goods in course of transit or delivery).

SIGNATURE OF THE BORROWER.

In the Presence of Witnesses

1.

2.

1/4/43.